

**First Amendment To Bylaws  
Of  
The Glen of Pacific Grove Homeowners Association**

WHEREAS, the Bylaws of The Glen of Pacific Grove Homeowners Association were adopted July 15, 1982 and certified as of said date; and

WHEREAS, said Bylaws have not heretofore been amended; and

WHEREAS, said Bylaws provide in Article XI thereof that the Bylaws may be amended or repealed and new Bylaws may be adopted by the vote or written assent of a bare majority of the total voting power of the association; and

WHEREAS, there is no longer a two (2) class voting structure operative within The Glen of Pacific Grove Homeowners Association; and

WHEREAS, Trilex Seven, a Limited Partnership and Trilex Eleven, a Limited Partnership the Declarants defined in the Bylaws by reference to the Declaration of Covenants, Conditions and Restrictions, is no longer an owner of a lot within The Glen of Pacific Grove Development; and

WHEREAS, on November 14, 1985, the written consent of members representing a bare majority of the Association approved the following Amendment; and

WHEREAS, it is the desire of the members of The Glen of Pacific Grove Homeowners Association to increase the term of office of the directors from one (1) to two (2) years, and to stagger such terms;

NOW, THEREFORE, the Bylaws of The Glen of Pacific Grove Homeowners Association dated July 15, 1982, are hereby amended as follows:

1. Article V, Section 3 is amended to provide in its entirety as follows:

**Section 3. Election and Term of Office.** The Directors shall be elected at each annual members' meeting. But if the annual meeting is not held, or if the Directors are not elected thereat, the Directors may be elected at any special meeting of members held for that purpose.

The Directors named in the Articles of Incorporation shall hold office until the first meeting of members at which an election of all Directors shall be had. The term of office for each Director shall be set at the annual meeting held November 14, 1985 to be as follows:

**Certificate of Secretary**

KNOW ALL MEN BY THESE PRESENTS:

The undersigned, Secretary of The Glen of Pacific Grove Homeowners Association, a California non-profit mutual benefit corporation, does hereby certify that the above and foregoing First Amendment to Bylaws of The Glen of Pacific Grove Homeowners Association consisting of two (2) pages, was duly adopted by written ballot of the members of said Association on the 14th day of November, 1985, and that it now constitutes an amendment to said Bylaws.

The Glen of Pacific Grove  
Homeowners Association

Dated: November 14, 1985

By: \_\_\_\_\_

cc: Wilkins

THE GLEN OF PACIFIC GROVE  
HOMEOWNERS ASSOCIATION

PROXY STATEMENT AND NOTICE OF ANNUAL MEETING NOVEMBER 14, 1985

This proxy statement and notice is furnished in connection with the solicitation of Proxies for use at the Annual Meeting of Homeowners of The Glen of Pacific Grove Homeowners Association to be held at:

84 Glen Lake Drive, garage  
Pacific Grove, CA 93950

at 7:30 p.m. on Thursday, November 14, 1985.

Passed by vote of  
32 approved  
10 abstain

The matters to be considered and voted upon at the Meeting will be:

1. Amendment to Bylaws, Article V, Section 3. Election and Term of Office as follows:

Delete: Thereafter, the term of office of each Director shall be until the annual meeting of members and the election of his successor. From the first election of the Board of Directors and so long as a majority of the voting power of the Association resides in the declarant or so long as there are two outstanding classes of members in the Association, not less than twenty percent (20%) of the incumbents on the Board of Directors shall have been elected solely by the votes of owners other than the declarant. This election shall be held separately. From the first annual meeting at least one Director shall be elected solely by votes other than Declarant.

Add: The term of office for each Director shall be set at the annual meeting held November 14, 1985 to be as follows: Three (3) Directors for two (2) year terms of office and two (2) Directors for one (1) year terms of office. Thereafter, each Director will be elected for a two (2) year term.

2. Resolution to allow pooling of reserves in one account as follows:

BE IT RESOLVED that reserve or restricted funds used for future costs for major repairs and capital improvements will be pooled in a money market savings account and/or certificate of deposit, with separate detailed ledgers maintained for each type of reserve: painting, roofing, paving, tennis courts, and new construction.

3. Resolution to carry forward excess assessments as follows:

BE IT RESOLVED that any assessments earned each fiscal year in excess of operating expenses and reserve account funding will be carried forward to the following fiscal year.

4. Election of Directors: Electing three (3) directors who will serve two (2) year terms and two (2) directors who will serve one (1) year terms. Terms will be decided in order of number of votes cast. Each unit has a total of five (5) votes for the election of directors. Voting may be cumulative which means the 5 votes may be split and cast between those nominees for whom you wish to vote. Total votes cannot exceed five (5).

The names of persons to be placed in nomination for a seat on the Board of Directors

BYLAWS  
OF  
THE GLEN OF PACIFIC GROVE  
HOMEOWNERS' ASSOCIATION, INC.

ARTICLE I

NAME AND LOCATION

The name of the corporation is THE GLEN OF PACIFIC GROVE HOMEOWNERS' ASSOCIATION, INC., hereinafter referred to as the "Association". The principal office of the corporation shall be located in the County of Monterey, but meetings of members and directors shall be held within the subdivision or at a meeting place as close thereto as possible.

ARTICLE II

DEFINITIONS

Section 1. "Association" shall mean and refer to THE GLEN OF PACIFIC GROVE HOMEOWNERS' ASSOCIATION, INC., a non-profit corporation, its successors and assigns.

Section 2. "Properties" shall mean and refer to that certain real property described in the Declaration of Covenants, Conditions and Restrictions, and such additions thereto as may be hereafter brought within the jurisdiction of the Association.

Section 3. "Common Area" shall mean Lot A and all real property owned by the Association for the common area and enjoyment of the Owners.

Section "Lot" shall mean and refer to any plot of land whether improved or unimproved shown upon any recorded subdivision map of the Properties with the exception of the Common Area.

Section 5. "Owner" shall mean and refer to the record owner, whether one or more persons or entities, of the fee simple title to any Lot which is a part of the Properties, including contract vendee (buyer) in a contract of sale, but excluding those having such interest merely as security for the performance of an obligation.

Section 6. "Declarant" shall mean and refer to TRILEX SEVEN, A LIMITED PARTNERSHIP and TRILEX ELEVEN, A LIMITED PARTNERSHIP, its successors and assigns if such successor or assigns should acquire more than one undeveloped Lot from the Declarant for the purpose of development.

Section 7. "Declaration" shall mean and refer to the Declaration of Covenants, Conditions and Restrictions applicable to the Properties recorded in the Office of the County Recorder of Monterey County, State of California, on July 15, 1982, in Book 1565 of the Official Records at page 635.

Section 8. "Member" shall mean and refer to those persons entitled to membership as provided in the Declaration.

### ARTICLE III

#### MEMBERSHIP

Section 1. Qualifications. Qualifications for membership and number and classes of members shall be as are set forth in Article III of the Declaration and Article IV, Section 7 of these Bylaws.

Section 2. Membership Certificates. No membership certificates shall be issued by this corporation. Membership shall be and is limited to such person or persons as are set forth and defined in these Bylaws and the Declaration.

Section 3. Fees, Dues and Assessments. Fees, dues and assessments shall be levied and collected as provided in Article IV of the Declaration.

#### ARTICLE IV

##### MEETINGS OF MEMBERS

Section 1. Annual Meeting. The first meeting whether regular or special of members shall be held within forty five (45) days after fifty one percent (51%) of the lots in the Project have been sold, but in no event later than six months after the date of the sale of the first lot in the Project.

The next annual meeting shall be set by the Board for a date certain, within ninety (90) days after the close of the Association's fiscal year. Subsequent regular annual meetings of members shall be held on the same day of the same month each year thereafter at the hour of 8:00 p.m. If the date of the annual meeting of the members is a legal holiday, the meeting will be held at the same hour the first day following which is not a legal holiday.

At the annual meeting, directors shall be elected, reports of the officers of the corporation shall be considered, and any other business may be transacted that is within the powers of the members.

Section 2. Special Meetings. Special meetings of the members shall be called upon the majority vote of a quorum of the Board of Directors or written request signed by one or more members holding not less than five percent of the voting power of the corporation.

Section 3. Notice of Annual and Special Meetings. On request in writing to the President, Vice-President, or Secretary,

sent by registered mail or delivered to the officer in person, by any persons entitled to call a special meeting of members, the officer forthwith shall cause notice to be given to the members entitled to vote that a meeting will be held at a time, fixed by the officers, not less than ten (10) nor more than ninety (90) days after the receipt of the request except in emergency situations. Notice of all meetings shall specify the place, date and hour of the meeting and the nature of the business to be undertaken. If the notice is not mailed or delivered within seven (7) days after the date of delivery, or the date of mailing, of the request, the persons calling the meeting may fix the time of meeting and give the notice in the manner provided herein. Nothing contained herein shall be construed as limiting, fixing, or affecting the time or date when a meeting of members called by action of the Board of Directors may be held.

Notice of the special meeting may be delivered personally or by mail. If by mail, such notice shall be mailed, postage prepaid, to the address of the member given by such member to the corporation for the purpose of notice, or to the address of the member's lot if no such address has been given to the corporation.

Notice shall be delivered personally, or shall be deposited in the mail, at least ten (10) days prior to the date of the meeting. In case of a meeting called to consider a plan of merger or consolidation, the period shall be twenty (20) days.

Section 4. Place of Meeting. Annual meetings and special meetings of the members shall be held at the principal office of the corporation, provided that the Board of Directors by resolution may designate a place upon or in the immediate vicinity

of the property subject to the jurisdiction of this corporation or some convenient place within a distance of not more than five (5) miles from said principal office of the corporation, as the place at which any annual or special meeting of the members may be held.

Section 5. Quorum Members representing fifty percent of the voting power of this corporation present in person or by proxy shall be requisite to and shall constitute a quorum at all meetings of the members for the transaction of business, except as otherwise provided herein or by law. Any members meeting, annual or special, when no quorum is present, may be adjourned from time to time by the vote of a majority of the voting power present at the meeting, the holders of which are either present in person or represented by proxy thereat; in the absence of a quorum no other business may be transacted at such meeting. Notice of each such adjourned meeting shall be given in like manner as provided in this Article IV for special meetings except that the time be shortened from ten (10) days to five (5) days and the meeting shall be held within thirty (30) days. The quorum for an adjourned meeting shall be forty percent (40%) of the voting members.

Section 6. Voting. The Association shall have two classes of voting membership:

Class A. Class A members shall be all Owners with the exception of the Declarant and shall be entitled to one vote for each Lot owned. When more than one person holds an interest in any such Lot, all such persons shall be members. The vote for such Lot shall be exercised as they among themselves determine, but in no event shall more than one vote be cast with respect to any Lot.

Class B. The Class B member shall be the Declarant

(as defined in the Declaration), and shall be entitled to three (3) votes for each Lot owned. The Class B membership shall cease and be converted to Class A membership on the happening of any of the following events, whichever occurs earlier:

(a) when the total votes outstanding in the Class A membership equals the total votes outstanding in the Class B membership; or

(b) two (2) years from the date of issuance of the most recent Public Report for a Phase of the overall development; or

(c) not later than the fourth anniversary of the original issuance of the subdivision public report.

The vote at any members' meeting may be by voice or by ballot; provided, however, that all elections for directors must be by secret written ballot. Except for action under Article XII Section 5 page 27 of the Declarations of Covenants, Conditions and Restrictions all votes of a prescribed majority other than the Declarant shall require the vote or written assent of a bare majority of the Class B voting power as well as the vote or written assent of a prescribed majority of the Class A voting power so long as there are two classes of members, thereafter the vote or written assent of a bare majority of the total voting power of the Association as well as the vote or written assent of a prescribed majority of the total voting power of members other than the Declarant, shall be required.

At any election of directors where more than two directors are to be elected, cumulative voting shall be required. The candidates receiving the highest number of votes, up to the number of directors to be elected, shall be elected.

The Board of Directors may fix a time not exceeding thirty (30) days preceding the date of any meeting of members as a record date for the determination of the members entitled to notice of and to vote at such meeting. In the event no such record date is fixed by the Board of Directors, the record date for the determination of members entitled to notice of and to vote at any such meeting shall be the twentieth day preceding the date of such meeting as of 8:00 a.m. of such day.

Section 7 . Address of Members. It shall be the duty of each member to keep the corporation advised as to his correct address from time to time. Absent written notice to the contrary, the address of each member shall be the address of his lot.

Section 8 . Consent of Absentees. The transactions of any meeting of members, however called and noticed, are as valid as though had at a meeting duly held after regular call and notice if a quorum is present either in person or by proxy, and if, either before or after the meeting, each of the persons entitled to vote, not present in person or by proxy, signs a written waiver of notice, or a consent to the holding of a meeting, or an approval shall be filed with the corporate records or made a part of the records of the meeting. Executors, administrators, guardians, trustees, and other fiduciaries entitled to vote shares may sign such waivers, consents, and approvals.

Section 9. Action without Meeting. Any action, which may be taken by the vote of members at a regular or special meeting, except the election of members of the board, where cumulative voting is a requirement, may be taken without a meeting if done in compliance with the provisions of Section 7513 of the Corporation Code.

Section 10. Proxies. Proxies, in order to be accepted as valid at any meeting, shall have been granted within eleven months prior to the meeting, unless the members granting such proxy shall have specified therein the length of time for which such proxy is to continue in force, in which case, the proxy shall be valid until the time of expiration set forth therein sofar as the same does not exceed the maximum time provided for by law. All proxies shall be in writing, signed by the member or his duly authorized attorney, and delivered to the Secretary of the corporation.

## ARTICLE V

### DIRECTORS

Section 1. Powers and Duties. Subject to limitations of the Articles of Incorporation, of these By-Laws, and of the Mutual Benefit Nonprofit Corporation Law of California as to action that must be authorized or approved by the members, and subject also to all restrictions, provisions and limitations contained in the Declaration, all corporate powers shall be exercised by or under authority of, and the business and affairs of the corporation shall be controlled by, the Board of Directors. The powers and duties of the Board shall include the following:

A. Powers. The Board of Directors shall have the power to:

(1) adopt and publish rules and regulations governing the use of the Common Area and facilities, and the personal conduct of the members and their guests thereon, and to establish penalties for the infraction thereof;

(2) foreclose the lien against any property for which assessments are not paid within thirty (30) days after due date or to bring an action at law against the Owner personally obligated to pay the same;

(3) issue, or to cause an appropriate officer to issue, upon demand by any person, a certificate setting forth whether or not any assessment has been paid. A reasonable charge may be made by the Board for the issuance of these certificates. If a certificate states an assessment has been paid, such certificate shall be conclusive evidence of such payment;

(4) cause all officers of employees having fiscal responsibilities to be bonded, as it may deem appropriate;

(5) entering upon any privately-owned subdivision interest as necessary in connection with construction, maintenance or emergency repair for the benefit of the common area or the owners in common.

(6) filling of vacancies on the governing body except for a vacancy created by the removal of a governing body member.

B. Duties. It shall be the duty of the Board of Directors to:

(1) cause to be kept a complete record of all its acts and corporate affairs and to present a statement thereof to the members at the annual meeting of the members, or at any special meeting when such statement is requested in writing by one-fourth (1/4) of the members other than Declarant who are

2) supervise all officers, agents and employees of this Association, and to see that their duties are properly performed;

(3) as more fully provided in the Declaration, to:

(a) fix the amount of the annual assessment against each Lot at least sixty (60) days in advance of each annual assessment period;

(b) send written notice of each assessment to every owner subject thereto at least thirty (30) days in advance of each annual assessment period;

(4) procure and maintain adequate liability and hazard insurance on property owned by the Association and on the residential structures in the project;

(a) cause the Common Area to be maintained;

(b) cause the exterior of the residences to be maintained

C. Limitations. The Board of Directors shall be prohibited from taking any of the following actions, except with the vote or written assent of a majority of the voting power of the Association residing in members other than the declarant.

(1) entering into a contract with a third person wherein the third person will furnish goods or services for the common area or the owner's Association for a term longer than one year with the following exceptions:

(a) a contract with a public utility company if the rates charged for the materials or services are regulated by the Public Utilities Commission; provided however, that the term of the contract shall not exceed the shortest term for which the supplier will contract at the regulated rate;

(b) Prepaid casualty and/or liability insurance policies of not to exceed three years duration; provided that the policy permits for short rate cancellation by the insured.

(c) A management contract, the terms of which have been approved by the Federal Housing Administration or Veterans Administration.

(2) Incurring aggregate expenditures for capital improvements to the common area in any fiscal year in excess of 5% of the budgeted gross expenses of the Association for that fiscal year.

(3) Selling during any fiscal year property of the Association having an aggregate fair market value greater than 5% of the budgeted gross expenses of the Association for that fiscal year.

(4) Paying compensation to members of the governing body or to officers of the Association for services performed in the conduct of the Association's business; provided, however, that the governing body may cause a member or officer to be reimbursed for reasonable expenses incurred in carrying on the business of the Association.

(5) Filling of a vacancy on the Board of Directors created by the removal of a member of the board.

Section 2. Number of Directors. The authorized number of directors is five (5). This number may be changed by an amendment to the Articles of Incorporation or by a Bylaw duly adopted

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by the vote or written assent of members entitled to exercise a majority of the voting power of this corporation and at least a bare majority of the total voting power of the Association other than the declarant; provided, however, that the authorized number of directors shall in no event be less than three (3).

Section 3. Election and Term of Office. The Directors shall be elected at each annual members' meeting. But if the annual meeting is not held, or if the Directors are not elected thereat, the Directors may be elected at any special meeting of members held for that purpose.

The Directors named in the Articles of Incorporation shall hold office until the first meeting of members at which an election of all Directors shall be had. Thereafter, the term of office of each Director shall be until the annual meeting of members and the election of his successor. From the first election of the Board of Directors and so long as a majority of the voting power of the Association resides in the declarant or so long as there are two outstanding classes of members in the Association, not less than twenty percent (20%) of the incumbents on the Board of Directors shall have been elected solely by the votes of owners other than the declarant. This election shall be held separately. From the first annual meeting at least one Director shall be elected solely by votes other than Declarant.

Section 4. Removal of Directors. Unless the entire Board of Directors is removed from office by the vote of Association members, an individual Director shall not be removed prior to the expiration of his or her term of office, if the number of votes cast against his or her removal is greater than the quotient arrived at by dividing the total number of votes that may be cast

under cumulative voting procedures for the full Board by a dividend equal to one plus the authorized number of Directors. A Director who has been elected to office solely by the votes of members of the Association other than the Declarant may be removed from office prior to the expiration of his or her term of office only by the vote of at least a simple majority of the voting power residing in members other than the Declarant.

Section 5. Meetings.

(a) Call. Special meetings may be called at any time by the President, or, if he or she is absent or unable or refuses to act, by a Vice-President or by any two directors. Regular meetings shall be held without call.

(b) Regular Meeting. Regular meetings of the Board of Directors of the Association shall be held twice yearly. One meeting shall be held after the annual meeting of members and the other meeting shall be held approximately six months thereafter at a time and place selected by the Board of Directors.

(c) Place of Meetings. The annual meeting shall be held at the place designated for the annual meeting of the members. Special meetings shall be held at any place within the subdivision designated by the Board of Directors.

(d) Notice. Notice of time and place of regular meetings of the Board of Directors shall be sent to all members of the Board four days prior to said meeting and shall be posted at a prominent place or places within the common area. A special meeting of the Board of Directors may be called by written notice signed by the President of the Association or by any two persons of the Board of Directors, other than the President. The notice of special meeting shall be sent to all members of the Board three days prior to said meeting and shall specify the time and place of the meeting and the nature of any special business to be considered. The notice shall be posted in a manner prescribed

for notice of regular meetings and not less than seventy two (72) hours prior to the scheduled time of the meeting. Written notice to members of the Board shall not be required of members who have signed a waiver of notice as thereafter provided.

(e) Waiver of Notice. The transactions of any meeting of the Board of Directors, however called and noticed or wherever held, are as valid as though had at a meeting duly held after regular call and notice, if a quorum is present, each of the directors not present signs a written waiver of notice, a consent to holding the meeting. All such waivers, consents or approvals, shall be filed with the corporate records or made a part of the minutes of the meeting.

(f) Quorum. A majority of the authorized number of directors constitutes a quorum of the Board for the transaction of business. Every act or decision done or made by a majority of the directors present is the act of the Board of Directors.

(g) Voting. Each director shall have but one vote at any meeting.

(h) Adjournment. In the absence of a quorum, a majority of the directors present may adjourn from time to time until the time fixed for the next regular meeting of the Board. Notice of the time and place of holding an adjourned meeting shall be in accordance with Section 1 hereof.

Section 6. Action Without Meeting. Any action required or permitted to be taken by the Board of Directors under any provision of the General Corporation Law may be taken without a meeting if all members of the board shall individually or collectively consent in writing to such action, and such written consent is filed with the minutes of the proceedings of the Board, and an explanation of the action taken shall be posted at a prominent place or places within the common area within three days after the written consents of all the Board of Directors members have

Officers other than the President need not be Directors. One person may hold two or more offices except that of President and Secretary. The salaries or other compensation of all officers of the corporation, if any, shall be fixed from time to time by the Board of Directors.

Section 2. Election. The officers of the corporation, except as such officers may be appointed in accordance with the provisions of this Article VI hereinafter stated shall be chosen annually by the Board of Directors, immediately after the regular annual meeting of the membership, and each shall hold his office until he shall resign or shall be removed or otherwise disqualified to serve, or his successor shall be elected and qualified.

Section 3. Subordinate Officers. The Board of Directors may elect or authorize the appointment of such other officers as the business of the corporation may require, each of whom shall hold office for such period, have such authority and perform such duties as are provided in the By-Laws or as the Board may from time to time authorize or determine.

Section 4. Removal and Resignation. Any officer may be removed, either with or without cause, by a majority of the Directors at any regular or special meeting of the Board, or except in case of any officer chosen by the Board of Directors, by an officer upon whom such power of removal may be conferred by the Board of Directors.

Section 5. Vacancies. A vacancy in any office because of death, resignation, removal, disqualification or any other cause, shall be filled in the manner provided or authorized herein for regular elections or appointments to such office.

Section 6. President. The President shall be the chief executive officer of the corporation and shall, subject to con-

trol of the Board of Directors, have general supervision, direction and control of the affairs and other officers of the corporation. He or she shall preside at all meetings of the members and at all meetings of the Board of Directors and shall have the general powers and duties of management usually vested in the office of president of a corporation, and shall have such other powers and duties as may be prescribed by the Board of Directors or the By-Laws.

Section 7. Vice-President. In the absence or disability of the President, the Vice-President, or, if more than one, in order of their rank as fixed by the Board of Directors, or if not ranked, the Vice-President designated by the Board of Directors, shall perform all the duties of the President, and when so acting shall have all the powers of, and be subject to all the restrictions upon the President. The Vice-Presidents shall have such other powers and perform such other duties as from time to time may be prescribed for them respectively by the Board of Directors or the By-Laws.

Section 8. Chief Financial Officer. The Chief Financial Officer shall keep and maintain, or cause to be kept and maintained, adequate and correct accounts of the properties and business transactions of the corporation, including accounts of its assets, liabilities, receipts, disbursements, gains and losses. The Chief Financial Officer shall also maintain or cause to be maintained, complete records of all assessments and charges levied and the liens securing same under and pursuant to the provisions of the Declaration, the amounts thereof, the properties and interest against which the same have been assessed, the dates upon which the same are due, and upon which the same are delinquent, and a record of the payments thereof. The Chief Financial Officer shall deposit or cause to be deposited all monies and other

valuables in the name and to the credit of the corporation with such depositories as may be designated by the Board of Directors. He or she shall disburse the funds of the corporation as may be ordered by the Board of Directors, shall render to the President and Directors, whenever they request it, an account of all his transactions as Chief Financial Officer and of the financial condition of the corporation, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the By-Laws.

Section 9. Secretary. The Secretary shall keep or cause to be kept a book of minutes at the principal office or such other place as the Board of Directors may order, of all meetings of Directors and members, with the time and place of holding, whether regular or special, and if special, how authorized, the notice thereof given, the names of those present at Director's meetings, the number of memberships and votes present or represented at members' meetings and all the proceedings thereof. The Secretary shall give or cause to be given notice of all meetings of the members and of the Board of Directors required by the By-Laws or by law to be given, and shall keep the seal of the corporation in safe custody, and shall have such other powers and perform such other duties as may be prescribed by the Board of Directors or by the By-Laws. The Secretary shall also issue such certificate to title insurers as are provided in the Declaration.

Section 10. Insurance. All officers, jointly and severally, shall be charged with the duty to maintain in force the insurance coverage as provided in the Declaration. This may include, without limitation, fidelity coverage and errors and omissions coverage relating to their own acts and duties.

## ARTICLE VII

### CONTRACTS AND COMMITTEES

Section 1. Contracts. Within the limitations of Article V, Section 1C hereof, the Board of Directors may enter into, make, perform and carry out contracts of every kind and character for any lawful purpose consistent with the status of a non-profit corporation. These contracts may be with any person or persons, partnership, firm, association, corporation, private, public or municipal, any body politic, any state, territory or municipality of the United States, or with the government of the United States or any department, branch, board, commission or contracting authority thereof or with any foreign government. This includes the right to make agreements with municipal, county, township, state, national or other public officials or with any political subdivision or any corporation or individual for and on behalf of the owners of the property covered by the Declaration and other property owned or subject to the jurisdiction of the corporation for a division of the work or the doing of the work on the streets, roads, ways, walks, drives, driveways, parks or other portions or serving said property. The Board may also contract for any other work to be done or utilities to be furnished as will enable the corporation or individuals to enure the benefits for the said property referred to or portions thereof that can be derived from the pro rata share of any municipal, county, state, national or other funds that may be available for use thereon, or in connection therewith or which might otherwise benefit the subject property. The Board of Directors may specifically contract and pay for all water, sewer, and refuse collection serving the subject property and such electrical, gas or telephone services and

use as shall be applicable to the corporation.

Section 2. Contracts with Members. The Board of Directors may enter into agreements, contracts and arrangements with any member for construction or repair work, planting or replanting, care, cleaning, protecting, maintaining or the rendering of maid, telephone, laundry, cleaning of any kind, and all other special services generally, in connection with such member's residence lot; provided the foregoing shall be paid for directly by such member and shall not be paid from funds derived from the charges and/or assessments provided for in the Declaration.

Section 3. Committees. The Board of Directors may maintain and operate such departments, boards and committees as may be provided for in these by-laws or as it may provide by resolution, with such powers and authority as may be conferred, and to make funds of the corporation available for the use of such departments, boards, and committees. The Board of Directors may employ a manager, secretaries, engineers, auditors, legal counsel, technical consultants or any other employees or assistants provided by these By-Laws or authorized by the Board of Directors and may pay all expenses necessary or incidental to the conduct and carrying on of the business of the corporation.

## ARTICLE VIII

### CHARGES AND ASSESSMENTS

Section 1. General. The Board of Directors shall determine the amount of all charges and assessments provided for in the Declaration, and shall determine the amount of all charges and assessments provided for in the Declaration, and shall levy and enforce such charges and assessments in the manner therein provided.

ARTICLE IX

CORPORATE SEAL

The Association shall have a seal in a circular form having within its circumference the words: THE GLEN OF PACIFIC GROVE HOMEOWNERS ASSOCIATION, INC.

ARTICLE X

MISCELLANEOUS

Section 1. Annual Reports to Members. The Board of Directors shall distribute at each annual meeting of the members a pro forma operating statement (budget) for the coming calendar year but in no case shall this budget be distributed less than 60 days before the beginning of the fiscal year. In addition, the Board of Directors shall furnish each member with a balance sheet as of the last day of the calendar year and an operating statement for said calendar year. The Board of Directors shall also furnish a balance sheet as of an accounting date which is the last day of the month closest in time to six (6) months from the date of closing of the first sale of an interest in the subdivision and an operating statement for the period from the date of first closing to the said accounting date. This operating statement shall include a schedule of assessments received and receivable identified by the number of the subdivision interest and the name of the owner assessed.

Section 2. Check, Drafts and Notes. All checks, drafts, or other orders for payment of money, notes or other evidences of indebtedness, issued in the name of or payable to the corporation, and any and all securities owned or held by the corporation requiring signature for transfer, shall be signed or

endorsed by such person or persons and in such manner as, from time to time, shall be determined by resolution of the Board of Directors.

Section 3. Contracts - How Executed. The Board of Directors, except as in the By-Laws otherwise provided, may authorize any officer or officers, agent or agents, to enter into any contract or execute any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances; and unless authorized by the Board of Directors, no officer, except the President, and no agent or employee shall have any power or authority to bind the corporation to any contract or engagement or to pledge its credit or to render it liable for any purpose or to any amount.

Section 4. Books and Records. The books, records and papers of the Association shall at all times, during reasonable business hours, be subject to inspection and copying by any Member or his duly appointed representative. The Declaration, the Articles of Incorporation and the By-Laws of the Association shall also be available for inspection by any member at the principal office of the Association or such other place within the subdivision as the Board may select, where copies may be purchased at reasonable cost. The Board of Directors shall establish reasonable rules with respect to notice to custodians regarding inspection, hours and days of the week inspection may be made and costs of reproducing documents requested by a member. Every director shall have the absolute right at any reasonable time to inspect all books, records and documents of the Association and the physical properties owned or controlled by the Association. The right of inspec-

tion by a director includes the right to make extracts and copies of documents.

Section 6. Headings and Titles. All headings and titles used in these By-Laws, including those of Articles, Sections, and Subsections, are intended solely for convenience of reference, and the same shall not, nor shall any of them, affect that which is set forth in such Article, nor any of the terms or provisions of these By-Laws nor the meaning thereof.

Section 7. Rules. Subject to the limitations contained in the Declaration, the Board of Directors may from time to time make, publish and enforce rules, and establish and collect fines for the violation thereof, governing the use of the property over which this corporation has jurisdiction and the conduct of the users thereof, in the manner set forth in such Declaration. A current record of the amount of the fines (if any) established for the violation thereof, shall be kept by the Secretary of the corporation and shall be available to any member at any reasonable time.

## ARTICLE XI

### AMENDMENTS OF BYLAWS

Section 1. Amendments. These Bylaws, and any part thereof, may be amended or repealed and new Bylaws may be adopted by the vote or written assent of a bare majority of the total voting power of the association as well as the vote or written assent of a bare majority of the total voting power of members other than the declarant.

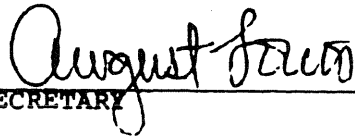
CERTIFICATE OF SECRETARY

I, the undersigned, do hereby certify;

(1) That I am the duly elected and acting Secretary of THE GLEN OF PACIFIC GROVE HOMEOWNERS' ASSOCIATION, INC., a non-profit California corporation; and

(2) That the foregoing Bylaws, comprising twenty-one (21) pages, constitute the original Bylaws of said corporation duly adopted as the Bylaws of this corporation at the first meeting of the Board of Directors thereof duly held.

IN WITNESS WHEREOF, I have hereunto subscribed by name and affixed the seal of said corporation.

  
SECRETARY

DATED: 7-15-82